

Chair Anne Boyle called the regularly scheduled meeting to order at 10:05 a.m. with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Gerald Vap present. Chair Boyle invited the public to address the Commission and also announced that a copy of the Nebraska Open Meetings Act was available in the meeting room. No announcements were made.

#### GENERAL ADMINISTRATION

Notice was duly published February 20, 2008 on Page 8 of The Daily Record that the regular public meeting of the Commissioners of the Nebraska Public Service Commission would be held February 26, 2008 at 10:00 a.m. in the Commission Hearing Room, 300 The Atrium, 1200 N Street, Lincoln.

Attention was called to the following proceedings:

#### Tuesday, February 26, 2008:

NUSF-64      Commission Hearing Room, Lincoln. Pre-Hearing Conference.  
1:30      In the Matter of the Commission, on its own motion, seeking to investigate the use of expense caps in the earnings calculation for Nebraska Universal Service Fund support. Commissioner Boyle presiding as Hearing Officer.

C-3897      Commission Hearing Room, Lincoln.  
3:00      In the Matter of the Commission, on its own motion, seeking to determine the surcharge for the statewide Telecommunications Relay System (TRS) to be effective July 1, 2008, in the state of Nebraska. Commissioner Schram presiding as Hearing Officer.

#### Wednesday, February 27, 2008:

NUSF-73      Commission Hearing Room, Lincoln.  
1:30      In the Matter of Bell Atlantic Communications, Inc., d/b/a Verizon Long Distance, seeking a Waiver of Telecommunications Rules and Regulations found at Title 291, Chapter 5, 002.01 and 002.02. Commissioner Schram presiding as Hearing Officer.

#### COMMUNICATIONS DEPARTMENT

Motion made by Commissioner Tim Schram, seconded by Commissioner Frank Landis, to enter orders granting applications AD-425r and AD-426r. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

AD-425r      In the Matter of Enhanced Recovery Corporation, Jacksonville, Florida, seeking authority to register the connection of an automatic dialing-announcing device.

COMMUNICATIONS DEPARTMENT (Cont.)

AD-426r      In the Matter of FMA Alliance, Ltd., Houston, Texas, seeking authority to register the connection of an automatic dialing-announcing device.

C-3554/      In the Matter of the Commission, on its own motion, seeking  
NUSF-50/      to investigate whether the zones established in Docket  
PI-112      C-2516 are appropriate in light of NUSF-26 findings and  
Conclusions. Commissioners Jerry Vap and Frank Landis  
presiding as Hearing Officers: Motion made by Commissioner Tim  
Schram, seconded by Commissioner Rod Johnson, to enter an order  
clarifying and staying the Commission's October 10, 2007 order.  
Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank  
Landis, Tim Schram and Jerry Vap voting AYE.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to enter orders granting applications E-2166, E-2168, and E-2178. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

E-2166      In the Matter of the Twin Valleys Public Power District, Cambridge, seeking authority to construct, operate and maintain electric transmission lines in Furnas and Harlan Counties.

E-2168      In the Matter of Niobrara Valley Electric Membership Corporation, O'Neill, seeking authority to construct, operate and maintain an electric transmission line in Holt County.

E-2178      In the Matter of Nebraska Public Power District, Columbus, seeking authority to construct, operate and maintain an electric transmission line in Knox and Cedar Counties.

C-3206      In the Matter of the Commission, on its own motion, seeking to administer the Nebraska Internet Enhancement Fund. Commissioner Rod Johnson presiding as Hearing Officer: Gene Hand informed the Commission that \$703.82 was transferred out of the Competitive Marketplace Fund to the Nebraska Internet Enhancement Fund (NIEF) on February 12, 2008.

WC-08-4      In the Matter of Hawaiian Telcom, Inc. seeking a waiver of Sections 54.309 and 54.313(d)(vi) of the Federal Communications Commission's (FCC) Rules: Gene Hand informed the Commission that the comments of opposition were filed with the Federal Communications Commission (FCC) on February 19, 2008.

Gene Hand distributed copies of a 2/26/08 Omaha World Herald article detailing Qwest's plans to place fiber into residential neighborhoods beginning this year making faster broadband speeds available.

COMMUNICATIONS DEPARTMENT (Cont.)

Gene Hand reported on the National Association of Regulatory Utility Commissioners (NARUC) Winter Committee Meetings held February 15-20, 2008, in Washington, D.C.

Don Gray reported on the North American Numbering Council (NANC) meeting he attended on February 22, 2008.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT

Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to enter an order approving funding requests in Dockets 911-023.04 and 911-023.53. Motion passed with Commissioners Rod Johnson, Frank Landis and Tim Schram voting AYE, and Commissioner Anne Boyle voting NAY.

911-023.04 In the Matter of Custer County, Public Safety Answering Point, Broken Bow, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation: Phase II LEC costs

911-023.53 In the Matter of Saunders County, Wahoo, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation: Funding

911-023.72 In the Matter of Hayes County, Public Safety Answering Point, Hayes Center, seeking funding approval for recurring and non-recurring costs of Enhanced Wireless 911 implementation: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order approving funding request for GIS data development and maintenance. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

911-030.04 In the Matter of Jeffrey L. Pursley, Director, Nebraska Telecommunications Infrastructure and Public Safety Department, Complainant v. Qwest Wireless, LLC, Respondent: Jeff Pursley informed the Commission of the complaint being issued against Qwest Wireless for non-compliance of E911 Quarterly Reporting.

911-031.01 In the Matter of the Commission, on its own motion, seeking to establish surcharges assessed on users of prepaid wireless service, and methods for the collection and remittance of surcharges from carriers offering prepaid wireless services: TracFone Wireless, Inc. Jeff Pursley discussed the Hearing Officer's order entered February 12, 2008, denying motion for late-filed exhibit.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

NUSF-1, In the Matter of the Commission, on its own motion, seeking  
PO #7 to establish guidelines for administration of the Nebraska  
Universal Service Fund: USA Digital Communications, Inc.  
Jeff Pursley discussed the Agreed Upon Procedures language for the  
NUSF Remittance audits and seeks Commission approval to accept the  
deviation in agreed upon procedures language for this company. Motion  
made by Commissioner Frank Landis, seconded by Commissioner Rod John-  
son, to accept the deviation in agreed upon procedures language for  
this company. Motion passed with Commissioners Anne Boyle, Rod John-  
son, Frank Landis, Tim Schram and Jerry Vap voting AYE.

NUSF-32.07 In the Matter of the Commission, on its own motion, seeking  
to conduct an inquiry into the failure of various companies  
to comply with Commission Rules and Orders and to impose administra-  
tive fines: Motion made by Commissioner Jerry Vap, seconded by Com-  
missioner Tim Schram, to enter a Show Cause Order and schedule a  
hearing for May 13, 2007 at 1:30 p.m. in the Commission Hearing Room,  
Lincoln. Motion passed with Commissioners Anne Boyle, Rod Johnson,  
Frank Landis, Tim Schram and Jerry Vap voting AYE. Commissioner  
Johnson was appointed Hearing Officer.

Motion made by Commissioner Tim Schram, seconded by Commis-  
sioner Frank Landis, to enter orders dismissing the complaints in  
Dockets NUSF-37.101, NUSF-37.140, NUSF-37.143 and NUSF-37.148. Motion  
passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim  
Schram and Jerry Vap voting AYE.

NUSF-37 In the Matter of Jeffrey L. Pursley, Director, Nebraska  
.101 Infrastructure and Public Safety Department, Complainant v.  
Opex Communications, Inc., Respondent.

NUSF-37 In the Matter of Jeffrey L. Pursley, Director, Nebraska  
.140 Infrastructure and Public Safety Department, Complainant  
v. Matrix Telecom, Inc., Respondent.

NUSF-37 In the Matter of Jeffrey L. Pursley, Director, Nebraska  
.143 Infrastructure and Public Safety Department, Complainant v.  
CTC Communications, Corporation, Respondent.

NUSF-37 In the Matter of Jeffrey L. Pursley, Director, Nebraska  
.148 Infrastructure and Public Safety Department, Complainant v.  
NobelTel, LLC, Respondent.

NUSF-69, In the Matter of the Commission, on its own motion, seeking  
PO #3 to implement policies and procedures related to providing  
dedicated universal service support for wireless telecom-  
munications services: Motion made by Commissioner Frank Landis,  
seconded by Commissioner Jerry Vap, to enter an order regarding the  
dedicated wireless fund. Motion passed with Commissioners Anne Boyle,  
Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

TELECOMMUNICATIONS INFRASTRUCTURE AND PUBLIC SAFETY DEPARTMENT (Cont.)

NUSF-50/ In the Matter of the Commission, on its own motion, seeking  
C-3554/ to investigate whether the zones established in Docket  
PI-112 C-2516 are appropriate in light of NUSF-26 findings and  
Conclusions. Commissioners Jerry Vap and Frank Landis  
presiding as Hearing Officers: This matter was addressed during the  
Communication's Department agenda.

WC-08-4 In the Matter of Hawaiian Telcom, Inc., seeking a waiver of  
Sections 54.309 and 54.313(d)(vi) of the Federal Communica-  
tions Commission's (FCC) Rules: This matter was addressed during the  
Communication's Department agenda.

WC 02-60 In the Matter of the Rural Health Care Support Mechanism:  
Jeff Pursley informed the Commission that the FCC entered  
an order on February 15, 2008, which grandfathered the definition of  
Rural Health Care Providers for three years.

NATURAL GAS DEPARTMENT

NG-0053 In the Matter of Nebraska Resources Company, LLC, Tulsa,  
Oklahoma, seeking a Certificate of Public Convenience and  
Necessity authorizing it to operate as a jurisdictional utility in  
Nebraska and approval of tariff. Commissioner Landis presiding as  
Hearing Officer: Motion made by Commissioner Frank Landis, seconded  
by Commissioner Tim Schram, to enter an order granting interventions.  
Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank  
Landis, Tim Schram and Jerry Vap voting AYE. Also, Laura Demman  
discussed a Hearing Officer's order entered February 21, 2008,  
scheduling a planning conference for March 3, 2008, at 2:00 p.m. in  
the Commission Hearing Room, Lincoln.

Motion made by Commissioner Frank Landis, seconded by Com-  
missioner Jerry Vap, to enter Assessment Orders in Dockets FC-1327,  
NG-0041, NG-0044 and NG-0048. Motion passed with Commissioners Anne  
Boyle, Rod Johnson, Frank Landis and Tim Schram voting AYE.

FC-1327 In the Matter of the Formal Complaint of the Nebraska  
HS-006 Public Advocate, seeking a determination that Kinder  
Morgan, Inc. and/or its successor in interest, SourceGas  
Distribution, LLC improperly implemented, billed and  
received payment for interim and final rates in NG-0036 for  
which customers are entitled to a credit or refund from  
Kinder Morgan, Inc. and/or SourceGas Distribution, LLC.  
Commissioner Vap presiding as Hearing Officer:

NATURAL GAS DEPARTMENT (Cont.)

NG-0041      In the Matter of Aquila, Inc., d/b/a Aquila Networks  
HS-018      (Aquila), Omaha, seeking individual general rate increases  
for Aquila's Rate Area One, Rate Area Two, and Rate Area  
Three. Commissioner Landis presiding as Hearing Officer:

NG-0044      In the Matter of Aquila Inc. d/b/a Aquila Networks, Kansas  
HS-0010      City, Missouri; Black Hills Corporation, and Black  
Hills/Nebraska Gas Utility Company, LLC, both of Rapid  
City, South Dakota, seeking approval of the proposed  
transfer of Aquila's Certificate of Convenience and for a  
Change of Control of Aquila's Nebraska jurisdictional  
assets. Commissioner Landis presiding as Hearing Officer:

NG-0048      In the Matter of NorthWestern Corporation, d/b/a North-  
GDS-001      Western Energy, Sioux Falls, South Dakota, seeking approval  
of a natural gas general rate increase for Nebraska. Com-  
missioner Vap presiding as Hearing Officer:

RULES AND REGULATION

Rule and      In the Matter of the Commission, on its own motion, seeking  
Regulation to amend Title 291, Chapter 7, Transmission Lines Rules and  
#170      Regulations, to adopt rules regarding wires crossing any  
railroad track at public highway crossings in the State of  
Nebraska in accordance with Neb. Rev. Stat. 75-702 to 75-724. Commis-  
sioner Schram presiding as Hearing Officer: Nichole Underhill  
informed the Commission of the Hearing Officer's order entered  
February 19, 2008 continuing the hearing previously scheduled for  
February 27, 2008 to a date later to be determined and cancelling the  
comments due February 20, 2008.

Rule and      In the Matter of the Commission, on its own motion, seeking  
Regulation to amend Title 291, Chapter 10, Nebraska Universal Service  
#171      Fund Rules and Regulations, to update the chapter in its  
entirety and to reorganize the chapter by the nature of the  
program supported by the NUSF: Motion made by Commissioner Jerry Vap,  
seconded by Commissioner Frank Landis, to open the docket and seek  
comments to be due April 28, 2008. Motion passed with Commissioners  
Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting  
AYE. Commissioner Landis was appointed Hearing Officer.

LEGISLATIVE REPORT

Angela Melton and the Commission discussed pending legis-  
lation.

TRANSPORTATION DEPARTMENT

Railroad Division

R-184        In the Matter of Central Valley Ag, Monroe, seeking a clearance waiver for a variance on height on railroad siding: Motion made by Commissioner Jerry Vap, seconded by Commissioner Rod Johnson, to enter an order granting the waiver. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Rate Division

LR-285       In the Matter of Zalt, Inc., d/b/a Central Limousine Services, Grand Island, seeking authority to adjust its rates and charges. Commissioner Johnson presiding as Hearing Officer: Mark Breiner informed the Commission that the hearing previously scheduled for March 12, 2008, was changed to a video hearing at 10:00 a.m. in the Commission Hearing Room, Lincoln, and Northeast Community College, Macclay Building, Room 122, 801 East Benjamin Avenue, Norfolk.

MR-930       In the Matter of Movers and Warehouse Division, Nebraska Motor Carriers Association, Lincoln, seeking authority to establish a fuel surcharge in Nebraska Official Goods Tariff 7F: The fuel surcharge was increased to 98 cents per mile.

GRAIN WAREHOUSE DEPARTMENT

GW-1013      In the Matter of Bruning Grain & Feed Co., Inc., Bruning: John Fecht discussed the shortage of soybeans.

GW-2007      In the Matter of Vering's Feed Service, Inc., Howells, seeking to cancel its Grain Warehouse License: Upon agreement of all Commissioners, the request was granted.

Grain Dealer Division

GD-2007      In the Matter of Vering's Feed Service, Inc., Howells, seeking to cancel its Grain Dealer License: Upon agreement of all Commissioners, the request was granted.

GENERAL ADMINISTRATION

              Motion made by Commissioner Frank Landis, seconded by Commissioner Rod Johnson, to approve the Executive Director's recommendation to approve the following Commission invoices. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

GENERAL ADMINISTRATION (Cont.)

Central Finance-Network Services	\$	3,431.35
Larry Fauss		990.00
Maurice Gene Hand		1,573.21
Anne Boyle		900.23
Rod Johnson		624.38
Frank Landis		101.00
Gerald Vap		1,171.12
Gerald Vap		949.44

The following invoices were paid between February 12, 2008 and February 25, 2008 and should be ratified:

DAS-Material - Office Supplies	\$	731.37
Graham Tire		501.12

NEBRASKA EQUIPMENT DISTRIBUTION PROGRAM

AGN Sales	\$	1,840.50
Aksarben TDD Service		920.80
B Hear Inc		3,100.94
Beltone		1,538.40
Grand Island Hearing Aid Center		1,779.00
Hearing Aid Center of Columbus		179.00
Carl A. Johnson Jr.		168.50
Johnson Hearing Aid Services		151.62
Professional Hearing Aid Services		1,043.80
Sherard Hearing Aid Center		919.90
Teltex		231.45
The Hearing Clinic		1,240.00
U-Save Pharmacy & Medical Supply		327.85
Weitbrecht Communications		4,136.05
Western ENT Associates		329.90

Motion made by Commissioner Jerry Vap, seconded by Commissioner Tim Schram, to approve the Executive Director's recommendation to surplus vehicle #9493, a 1999 Chevy Lumina (McKay). Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

Motion made by Commissioner Jerry Vap, seconded by Commissioner Frank Landis, to approve the Executive Director's recommendation to pay the 2008 annual assessment to the National Association of State Utility Consumer Advocates (NASUCA). Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.



GENERAL ADMINISTRATION (Cont.)

Motion made by Commissioner Tim Schram, seconded by Commissioner Frank Landis, to approve the Executive Director's recommendation for authorization for Bob Bowman to travel to and conduct a modular housing unit factory inspection at Wardcraft Homes in Clay Center, Kansas on February 27, 2008 with all expenses, including time, to be reimbursed by Wardcraft Homes. Motion passed with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Jerry Vap voting AYE.

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The meeting adjourned at 10:47 a.m. with Commissioners Anne Boyle, Rod Johnson, Frank Landis, Tim Schram and Gerald Vap present. The next regularly scheduled meeting will be held on March 4, 2008, at 10:00 a.m. with an agenda to be available in the office of the Executive Director at 10:00 a.m. on March 3, 2008.

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Chair

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Executive Director